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Families and Human Services VC
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The Jacobs Report

FOR IMMEDIATE RELEASE
Friday, December 12, 2003

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GRANHOLM: HOUSE GOP "OUT-OF-TOUCH"

This week, Governor Jennifer Granholm sharply criticized efforts by the Republican-controlled House to seek further budget cuts instead of passing a six-month delay in the income tax cut scheduled for January 1st. "If a zero government environment was what we were seeking, and was the best way to live, then Mississippi and Alabama would at the top of the heap in terms of quality of life."

Ms. Granholm and the Senate agreed this week to a six-month delay in the tax cut and to use the \$77 million saved to plug a hole in the budget deficit and spare local governments, public schools and higher education from absorbing more cuts.

But most House Republicans prefer to find additional cuts and, in fact, oppose the six month delay, saying it would break a promise to taxpayers and harm the economic recovery. House Speaker Rick Johnson (R-LeRoy) has pledged to hold a vote on the income tax cut delay, but also has not ruled out further cuts that some GOP members are expected to propose next week.

Ms. Granholm emphatically opposes further cuts. "I'm thoroughly angered by the notion that there's still fat left to cut. There is not," she said. "And I am not going to cut the legs out of the social safety net so that they can go back to their district and say, 'I didn't vote for the pause.' I think they are utterly out of touch with the citizens."

Ms. Granholm said such sentiment ignores the reduction in the state workforce by 7,600 over the past three years and the barrage of news stories on lackluster inspections of child care, problems in Friend of the Court and the unemployed being unable to collect their benefit checks because of a lack of workers.

A delay in the tax cut would cost the average Michigan family approximately \$25 over a six month period.

Republicans control the House 63-47. "Not for long," said the governor, "especially if they keep going the direction they're going in. I think they are entirely out of touch with Michigan citizens. I think if they keep going down this knee-jerk path of, for example, not doing something utterly reasonable and rational like pausing the income tax rollback for a mere six months, then it would demonstrate that they are entirely out of touch."

MICHIGAN REVENUES STILL SLUGGISH

Strong economic growth nationally during the last quarter failed to translate into revenue growth from Michigan's taxes. The fact came to light this week as puzzled state budget experts announced new figures

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showing November revenues slightly below that of a year ago, which itself was a weak month. According the House and Senate Fiscal Agencies, the biggest culprit in the sluggish performance is the single business tax, which is down about \$28 million from year ago levels as estimated quarterly payments were the weakest since January. Income and sales tax revenues are essentially even from 2002 revenue, the directors of the House and Senate Fiscal Agencies said.

The revenues stand in contrast to an 8.1 percent growth in the gross national product in the last quarter.

“Nobody who would have seen an 8 percent growth would have predicted what’s happening in Michigan,” said House Fiscal Agency Direct Mitch Bean. “It’s like we’re on the edge and haven’t crossed over to the strong growth we were hoping for.”

SENATE DETROITERS AGAINST KILPATRICK SPECIAL ELECTION

Senator Buzz THOMAS (D-Detroit) announced this week that he is no longer neutral and will oppose a Detroit Public School special election in March, meaning that all five Detroit senators are opposed to the deal put forward by Detroit Mayor Kwame Kilpatrick.

Thomas' decision darkens the chances that Governor Granholm will support the deal in HB 4508. The Governor had previously said that she would only sign the bill into law if there was a majority of support from the Detroit delegation.

“The governor is also concerned about the cost of a special election,” said Granholm spokesperson Liz Boyd. “She supports giving Detroiters the right to vote, but she is concerned about how that special election will be paid for. They need the support of the Detroit delegation and a way to pay for it.”

The Kilpatrick deal moves the November 2004 reform board election to March. Instead of asking voters to choose between the reform board or the prior elected board structure, the Kilpatrick deal asks voters to pick between the pre-reform board structure or a structure in which the mayor would pick a powerful CEO to run the schools.

Thomas said he’s opposing the bill because Michigan cannot afford a special election in Detroit as the state looks to fill a \$920 million state budget hole.

“Why spend \$1 to \$2 million on a special election when Detroiters already have a special election in November?” Thomas said. “I would rather invest that money into health care for seniors and children.”

FEDERAL VERSION OF “JACOBS BILL” BECOMES LAW

Senator Gilda Z. Jacobs applauded Congress for passing the 'Fairness to Contact Lens Consumers Act,' which the president signed it into law last week.

“This is a victory for millions of contact lens users in Michigan,” said Jacobs. “As of February 6, 2004, they will be allowed to take their prescriptions and shop for the best deal instead of being forced to pay artificially inflated prices.”

Since 1978, eyeglass wearers have had the right to take their prescriptions from eye care providers and have them filled elsewhere, but in Michigan and many other states, that right had not been extended to people with contact lenses.

In each of her terms as a state lawmaker, Jacobs introduced legislation benefiting contact lens consumers. And each time, the legislation was stalled and eventually killed by opposition groups.

“Special interests held Michigan consumers hostage for five years,” said Jacobs. “Each legislative session, they expended great effort to block the Jacobs bill from becoming law. No more. I applaud Congress for their foresight. Our citizens have every right to this basic consumer protection.”

Under the new law, eye doctors will be required to provide people who wear contact lenses with their prescriptions. They also are banned from charging a fee for providing a copy of the prescription to a patient.

Jacobs and supporters of the legislation estimate that it will save consumers an average of 20 percent by allowing them to purchase lenses from alternative merchants.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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